

FIRST REGULAR SESSION

HOUSE BILL NO. 585

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HOLT (Sponsor), JOHNSON (90), HICKEY, WAGNER,
McKENNA, FARNEN, GREEN (15), LUETKENHAUS AND GEORGE.

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TED WEDEL, Chief Clerk

1328L.011

AN ACT

To repeal sections 99.820, 99.847 and 99.850, RSMo 2000, relating to the timely payment of certain funds associated with tax increment financing, and to enact in lieu thereof three new sections relating to the same subject.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 99.820, 99.847 and 99.850, RSMo 2000, are repealed and three new
2 sections enacted in lieu thereof, to be known as sections 99.820, 99.847 and 99.850, to read as
3 follows:

99.820. 1. A municipality may:

2 (1) By ordinance introduced in the governing body of the municipality within fourteen
3 to ninety days from the completion of the hearing required in section 99.825, approve
4 redevelopment plans and redevelopment projects, and designate redevelopment project areas
5 pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment
6 project shall be approved unless a redevelopment plan has been approved and a redevelopment
7 area has been designated prior to or concurrently with the approval of such redevelopment
8 project and the area selected for the redevelopment project shall include only those parcels of real
9 property and improvements thereon directly and substantially benefited by the proposed
10 redevelopment project improvements;

11 (2) Make and enter into all contracts necessary or incidental to the implementation and
12 furtherance of its redevelopment plan or project;

13 (3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire
14 by purchase, donation, lease or eminent domain, own, convey, lease, mortgage, or dispose of,
15 land and other property, real or personal, or rights or interests therein, and grant or acquire
16 licenses, easements and options with respect thereto, all in the manner and at such price the

17 municipality or the commission determines is reasonably necessary to achieve the objectives of
18 the redevelopment plan. No conveyance, lease, mortgage, disposition of land or other property,
19 acquired by the municipality, or agreement relating to the development of the property shall be
20 made except upon the adoption of an ordinance by the governing body of the municipality. Each
21 municipality or its commission shall establish written procedures relating to bids and proposals
22 for implementation of the redevelopment projects. Furthermore, no conveyance, lease,
23 mortgage, or other disposition of land or agreement relating to the development of property shall
24 be made without making public disclosure of the terms of the disposition and all bids and
25 proposals made in response to the municipality's request. Such procedures for obtaining such
26 bids and proposals shall provide reasonable opportunity for any person to submit alternative
27 proposals or bids;

28 (4) Within a redevelopment area, clear any area by demolition or removal of existing
29 buildings and structures;

30 (5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or
31 building;

32 (6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site
33 improvements essential to the preparation of the redevelopment area for use in accordance with
34 a redevelopment plan;

35 (7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges
36 for the use of any building or property owned or leased by it or any part thereof, or facility
37 therein;

38 (8) Accept grants, guarantees, and donations of property, labor, or other things of value
39 from a public or private source for use within a redevelopment area;

40 (9) Acquire and construct public facilities within a redevelopment area;

41 (10) Incur redevelopment costs and issue obligations;

42 (11) Make payment in lieu of taxes, or a portion thereof, to taxing districts. **In the event**
43 **that such payments are required to be made or are otherwise made by the municipality,**
44 **they shall be made immediately, and not later than ten days after the availability of the**
45 **funds for such payments;**

46 (12) Disburse surplus funds from the special allocation fund to taxing districts as
47 follows:

48 (a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within
49 the redevelopment area which impose ad valorem taxes on a basis that is proportional to the
50 current collections of revenue which each taxing district receives from real property in the
51 redevelopment area;

52 (b) Surplus economic activity taxes shall be distributed to taxing districts in the

53 redevelopment area which impose economic activity taxes, on a basis that is proportional to the
54 amount of such economic activity taxes the taxing district would have received from the
55 redevelopment area had tax increment financing not been adopted;

56 (c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes,
57 deposited in the special allocation fund, shall be distributed on a basis that is proportional to the
58 total receipt of such other revenues in such account in the year prior to disbursement;

59 (13) If any member of the governing body of the municipality, a member of a
60 commission established pursuant to subsection 2 of this section, or an employee or consultant
61 of the municipality, involved in the planning and preparation of a redevelopment plan, or
62 redevelopment project for a redevelopment area or proposed redevelopment area, owns or
63 controls an interest, direct or indirect, in any property included in any redevelopment area, or
64 proposed redevelopment area, he or she shall disclose the same in writing to the clerk of the
65 municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any
66 such interest, which disclosures shall be acknowledged by the governing body of the
67 municipality and entered upon the minutes books of the governing body of the municipality. If
68 an individual holds such an interest, then that individual shall refrain from any further official
69 involvement in regard to such redevelopment plan, redevelopment project or redevelopment area,
70 from voting on any matter pertaining to such redevelopment plan, redevelopment project or
71 redevelopment area, or communicating with other members concerning any matter pertaining
72 to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such
73 member or employee shall acquire any interest, direct or indirect, in any property in a
74 redevelopment area or proposed redevelopment area after either (a) such individual obtains
75 knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant
76 to section 99.830, whichever first occurs;

77 (14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other
78 official in administering the redevelopment project. The charge for the clerk's or other official's
79 costs shall be determined by the municipality based on a recommendation from the commission,
80 created pursuant to this section.

81 2. Prior to adoption of an ordinance approving the designation of a redevelopment area
82 or approving a redevelopment plan or redevelopment project, the municipality shall create a
83 commission of nine persons if the municipality is a county or a city not within a county and not
84 a first class county with a charter form of government with a population in excess of nine
85 hundred thousand, and eleven persons if the municipality is not a county and not in a first class
86 county with a charter form of government having a population of more than nine hundred
87 thousand, and twelve persons if the municipality is located in or is a first class county with a
88 charter form of government having a population of more than nine hundred thousand, to be

89 appointed as follows:

90 (1) In all municipalities two members shall be appointed by the school boards whose
91 districts are included within the redevelopment plan or redevelopment area. Such members shall
92 be appointed in any manner agreed upon by the affected districts;

93 (2) In all municipalities one member shall be appointed, in any manner agreed upon by
94 the affected districts, to represent all other districts levying ad valorem taxes within the area
95 selected for a redevelopment project or the redevelopment area, excluding representatives of the
96 governing body of the municipality;

97 (3) In all municipalities six members shall be appointed by the chief elected officer of
98 the municipality, with the consent of the majority of the governing body of the municipality;

99 (4) In all municipalities which are not counties and not in a first class county with a
100 charter form of government having a population in excess of nine hundred thousand, two
101 members shall be appointed by the county of such municipality in the same manner as members
102 are appointed in subdivision (3) of this subsection;

103 (5) In a municipality which is a county with a charter form of government having a
104 population in excess of nine hundred thousand, three members shall be appointed by the cities
105 in the county which have tax increment financing districts in a manner in which the cities shall
106 agree;

107 (6) In a municipality which is located in the first class county with a charter form of
108 government having a population in excess of nine hundred thousand, three members shall be
109 appointed by the county of such municipality in the same manner as members are appointed in
110 subdivision (3) of this subsection;

111 (7) At the option of the members appointed by the municipality, the members who are
112 appointed by the school boards and other taxing districts may serve on the commission for a term
113 to coincide with the length of time a redevelopment project, redevelopment plan or designation
114 of a redevelopment area, is considered for approval by the commission, or for a definite term
115 pursuant to this subdivision. If the members representing school districts and other taxing
116 districts are appointed for a term coinciding with the length of time a redevelopment project, plan
117 or area is approved, such term shall terminate upon final approval of the project, plan or
118 designation of the area by the governing body of the municipality. Thereafter the commission
119 shall consist of the six members appointed by the municipality, except that members representing
120 school boards and other taxing districts shall be appointed as provided in this section prior to any
121 amendments to any redevelopment plans, redevelopment projects or designation of a
122 redevelopment area. If any school district or other taxing jurisdiction fails to appoint members
123 of the commission within thirty days of receipt of written notice of a proposed redevelopment
124 plan, redevelopment project or designation of a redevelopment area, the remaining members may

125 proceed to exercise the power of the commission. Of the members first appointed by the
126 municipality, two shall be designated to serve for terms of two years, two shall be designated to
127 serve for a term of three years and two shall be designated to serve for a term of four years from
128 the date of such initial appointments. Thereafter, the members appointed by the municipality
129 shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms
130 in the same manner as were the original appointments.

131 3. The commission, subject to approval of the governing body of the municipality, may
132 exercise the powers enumerated in sections 99.800 to 99.865, except final approval of plans,
133 projects and designation of redevelopment areas. The commission shall hold public hearings and
134 provide notice pursuant to sections 99.825 and 99.830. The commission shall vote on all
135 proposed redevelopment plans, redevelopment projects and designations of redevelopment areas,
136 and amendments thereto, within thirty days following completion of the hearing on any such
137 plan, project or designation and shall make recommendations to the governing body within
138 ninety days of the hearing referred to in section 99.825 concerning the adoption of, or
139 amendment to redevelopment plans and redevelopment projects and the designation of
140 redevelopment areas. The requirements of subsection 2 of this section and this subsection shall
141 not apply to redevelopment projects upon which the required hearings have been duly held prior
142 to August 31, 1991.

99.847. Any district providing emergency services pursuant to chapter 190 or 321,
2 RSMo, upon the provision of evidence to the governing body of the municipality that direct costs
3 incurred by such district in providing emergency services to the redevelopment area are directly
4 attributable to the operation of redevelopment projects as these terms are defined in section
5 99.805, in the redevelopment area, shall be entitled to reimbursement from the special allocation
6 fund for direct costs to the extent that such district can demonstrate that the increased tax
7 revenues it receives from such projects in such areas are insufficient to fund such direct costs.
8 However, such reimbursement shall not be less than twenty-five percent nor more than one
9 hundred percent of the district's tax increment. **In the event that such district is entitled to**
10 **such reimbursement, such reimbursement shall be made immediately, and not later than**
11 **ten days after the availability of the funds for reimbursement.**

99.850. 1. When such redevelopment project costs, including, but not limited to, all
2 municipal obligations financing redevelopment project costs incurred under sections 99.800 to
3 99.865 have been paid, all surplus funds then remaining in the special allocation fund shall be
4 paid by the municipal treasurer to the county collector who shall immediately thereafter, **and in**
5 **no event later than ten days after the availability of the funds for such payments,** pay such
6 funds to the taxing districts in the area selected for a redevelopment project in the same manner
7 and proportion as the most recent distribution by the collector to the affected districts of real

8 property taxes from real property in the area selected for a redevelopment project.

9 2. Upon the payment of all redevelopment project costs, retirement of obligations and
10 the distribution of any excess moneys pursuant to section 99.845 and this section, the
11 municipality shall adopt an ordinance dissolving the special allocation fund for the
12 redevelopment area and terminating the designation of the redevelopment area as a
13 redevelopment area. Thereafter the rates of the taxing districts shall be extended and taxes levied,
14 collected, and distributed in the manner applicable in the absence of the adoption of tax
15 increment financing.

16 3. Nothing in sections 99.800 to 99.865 shall be construed as relieving property in such
17 areas from paying a uniform rate of taxes, as required by article X, section 3 of the Missouri
18 Constitution.